



MEMORANDUM

TO: All Full-time Faculty and Staff

FROM: Tracy M. Woods, Director of Human Resources

SUBJECT: University System of Georgia (USG) Plan Year 2011 Open Enrollment Period

The University System of Georgia Open Enrollment is scheduled for October 25, 2010 through November 5, 2010. The Board of Regents will offer the following health care options:

- Blue Choice HMO,
- Kaiser Permanente HMO,
- HSA/PPO (High Deductible Health Plan) with Consumer Choice optional,
- HSA/PPO HDHP Alternative Network with Consumer Choice optional,
- PPO with Consumer Choice optional
- PPO Alternative Network with Consumer Choice optional.

For Plan Year 2011 the University System of Georgia will continue with the 4-tier premium structure for the healthcare and indemnity dental plan. The four tier designations are: "Employee", "Employee + Child", "Employee + Spouse", and "Family".

An employee will not be required to make a formal healthcare plan election for 2011 unless he/she wishes to change his/her plan type or his/her level of healthcare coverage or if you are enrolled in the Flexible Spending Account (FSA). To assist employees in making their decisions, the Board of Regents has prepared a Health Plan Comparison Brochure that highlights the different types of plan coverage and the rates for each option. The brochures will be issued at the EGC Benefits Fair.

As part of the CMS (Centers for Medicare & Medicaid Services) regulation, all dependents age 45 and over must have a SSN on file with the carrier in order to retain coverage (effective 1/1/11).

Employees who do not make any changes during open enrollment will not be prompted to provide SSN. However dependents age "45" and over will be dropped from the plan if no SSN has been collected prior to the OE eligibility file going to carriers.

During the August 10-11th Board meeting, the Regents approved the following changes for 2011.

- Voluntary alternative network
- Self Fund HMO & HDHP
- Seed HSA 1/2 of 2010 rates
- Tobacco surcharge
- Minor changes to prescription plan
- Wellness provisions
- Future retirees - Medicare "B" Surcharge

- Premiums

BCBS will issue new insurance cards to all employees/dependents enrolled in a BCBS products.

Voluntary Alternative Network

The Blue Open Access POS Network is a statewide provider network in Georgia. Blue Open Access members are not required to select a Primary Care Physician (PCP) and will be able to access specialty care directly from any In-Network Physician. (No PCP referrals are required.) Members are encouraged to establish or maintain a relationship with a PCP, since that physician would be most knowledgeable of the member's medical history.

For Employees, Blue Open Access provides:

- **Easy and open access** to health care
- **More control and flexibility** in health care options
- **Administrative ease** with no claim filing and no balance billing
- **Affordability** — simple co-pays for most services

Seed HSA ½ of 2010 Rates

USG will continue to seed the HSA Plan at ½ the 2010 amount. In order for employees to be eligible to receive the seed, employee must be active and enrolled in the HDHP Plan on January 1 and July 1, 2011. The HSA seed for 2011 is as follows:

Single - \$375.00 (funded in two separate installments in January and July)

Family - \$750.00 (funded in two separate installments in January and July)

USG will continue its relationship with US Bank for the HSA seed. The monthly maintenance fee has been reduced to \$2.75, the one - time set up fee has been reduced to \$10.00.

HSA contribution limits for 2011 are as follows:

Single - \$3,050.00

Family - \$6,150.00

Catch-up- \$1,000.00

Self Fund Blue Choice HMO and HDHP

The self-funding of the BC/BS HDHP and HMO will save the USG excess premium fees/taxes, risk and retention fees.

Tobacco Surcharge

A tobacco surcharge of \$50 will be added to your monthly premium if you use tobacco products (applies to employees and retirees only; not to dependents). The \$50 Tobacco Surcharge applies to any type of tobacco products. This surcharge is designed to encourage tobacco users to adopt a healthier lifestyle. Smoking cessation classes are offered to members who want to stop using tobacco products. The tobacco surcharge may be removed when the employee completes the tobacco cessation requirements. Details regarding the program will be provided in a separate communication.

Medco – For PPO Plans

Medco will continue to provide pharmacy benefits for the PPO/PPO Consumer Choice and PPO Alternative Network. The following Medco changes are effective on January 1, 2011:

\$5.00 co-pay increase for brand name prescription drugs

Generic Waiver co-payment Program – Waiver offered for new generic claims that have not been filled within the past 12 months. Waivers are provided for any brand prescription (retail or mail) presented at mail; any generic prescriptions moved to mail; and new generic prescriptions submitted at mail.

One patient can get more than one waiver. The waivers are offered by patient/drug.

Any existing brand prescription at mail which becomes available as a generic during the waiver period is not eligible to receive a co-pay waiver.

Specialty Pharmacy Program – Effective January 1, 2011 for access to certain specialty medications, employees will be directed to use Accredo, Medco's Specialty Pharmacy Program.

Specialty medications are drugs that are used to treat complex conditions, such as cancer, growth hormone deficiency, hemophilia, hepatitis C, immune deficiency, multiple sclerosis, and rheumatoid arthritis. Whether they're administered by a healthcare professional, self-injected, or taken by mouth, specialty medications require an enhanced level of service. Accredo is dedicated to helping employees meet the particular needs and challenges of using specialty medications, many of which require injection or special handling. Services include:

- Toll-free access to specially trained pharmacists 24 hours a day, 7 days a week
- Personalized counseling from our dedicated team of registered nurses and pharmacists
- Expedited, scheduled delivery of your medications at no additional charge
- Refill reminder calls
- Necessary supplies to administer your medication, such as needles and syringes, provided at no additional charge. Additional information regarding the program will be provided on the BOR open enrollment website and also on the Medco website.

Medicare "B" Coordination Program – Medco will work with BCBS to better manage the coordination of pharmacy benefits for USG retirees.

Wellness Programs

Various wellness incentives to include but not limited to a completion of an on-line health assessment, waiving of co-pays for continued use of maintenance medications, or a premium holiday for successfully completing a smoking cessation and discounts to fitness clubs and weight loss programs.

Future Retirees Medicare "B" Surcharge

All future retirees and spouses of retirees will be required to pay the full cost of insurance for not enrolling in Medicare Part B. After January 1, 2011, all retirees and spouses reaching the age of 65 will have the option to either enroll in Medicare Part B or pay the full cost of system provided insurance. Current Medicare eligible retirees who are not enrolled will be grandfathered in and will continue to pay the \$100 per month surcharge.

Premiums

A separate rate appendix is attached for 2011 active and retiree rates.

PLAN YEAR 2011 INCREASES

The University System of Georgia PPO/PPO Consumer Choice premiums will increase by 9.7% for Plan Year 2011. The BCBS PPO Alternative Plan will be priced at the 2010 rates.

The University System of Georgia HSA/PPO (HDHP) premiums will increase by 9.7%. The BCBS HSA/PPO HDHP Alternative Plan will be priced at the 2010 rates.

The University System of Georgia BlueChoice HMO premiums will increase by 9.7%.

The University System of Georgia Kaiser HMO premiums will increase by 8.3%.

MetLife

There are no plan design changes for the University System of Georgia Indemnity Dental Program administered by MetLife. **Employees will not be required to make a formal dental plan election for 2011 unless he/she wishes to change his/her plan type or his/her level of dental coverage.** The Indemnity Dental Plan is open for enrollments and changes for active employees who may have previously declined dental coverage or, to those who would like to extend their dental coverage to eligible dependents.

The University System of Georgia indemnity dental plan rates will increase by 9.0% for Plan Year 2011. The indemnity dental plan premiums are:

Indemnity Dental Plan Year 2011 Premium Rates

	2010 Indemnity Dental Plan Premiums	2011 Indemnity Dental Plan Premiums
Employee Only	\$28.33	\$30.84
Employee + Child	\$53.81	\$58.58
Employee + Spouse	\$56.64	\$61.66
Family	\$90.63	\$98.66

The indemnity dental plan is an “employee-pay-all” program.

UNITEDHEALTHCARE VISION

There are no plan design changes for the vision plan. The vision premiums effective 1/1/11 are:

	2010 Premiums	2011 Premiums
Employee Only	7.61	\$7.99
Employee + Child(ren)	15.15	\$15.91
Employee + Spouse	14.47	\$15.19
Family	23.32	\$24.49

CIGNA LIFE INSURANCE

For Plan Year 2011, there will be no change in the premiums for basic and supplemental life insurance. There will be some CIGNA program enhancements for 2011. New programs that will be offered are: Will Preparation; Identify Theft; Healthy Rewards; and Secure Travel. More information will be provided at the benefits fair and on the HR website.

Terminal Illness Benefit to Basic and Voluntary Life Programs – This benefit is designed to assist employees cope with the financial burdens caused by unexpected illness. With CIGNA's living benefits optional plan feature, covered employees do not have to be approved for a waiver of premiums to use the feature. Covered employees who are diagnosed with terminal or critical illnesses can get an early payout of a specified portion of their life insurance proceeds, which is deducted from their covered amount of insurance.

Identity Theft Program to Voluntary AD&D Program- The program is designed to help combat identity theft.

CIGNA's Health Rewards Program- The program is design to reward people for taking charge of their health.

CIGNA's Will Preparation Program – CIGNA's Will Center allows employees to complete essential life and health legal documents online at no cost to the employee.

CIGNA LIFE 2011 Plan Enhancements

Voluntary increase Offerings – Addition of a four and five times salary benefits levels for employees supplemental life insurance. Employee is eligible to increase up to one level of coverage without having to provide evident of insurability (EOI) during open enrollment. This procedure requires the employee to complete a self-declared evidence of medical history form, which is then submitted to CIGNA. Upon review and approval CIGNA, the Shared Services Center will be notified of the decision for supplemental coverage. The effective date of coverage will be determined by CIGNA and may begin after January 1, 2011.

No change to spouse coverage

OTHER BENEFITS AVAILABLE

Employees can also enroll in the following plans during open enrollment:

- Shared Sick Leave Program
- 403b / 457b plans
- AFLAC

Contact the Office of Human Resources to enroll in these plans.

Dependent Audit

The Chapman Kelly portion of the dependent audit has concluded. To date 1,424 dependents have been removed from the plan. The removal of these ineligible dependents has resulted in a cost avoidance of approximately \$2.8M.

Federal Healthcare Legislation

Healthcare Reform requires medical benefits to be offered to dependents regardless of student status until age 26. This change not only applies to children who were on the plan and aged out, but also to children who were not previously enrolled or were not previously eligible.

Effective January 1, 2011, all medical benefit plans will be updated to allow dependent children between the ages of 19-26 to continue healthcare coverage in all health plans until the dependent child reaches the age of 26.

(Dependents age 19-26 must still be a full-time student in school in order to be covered by the other plans – dental, life, and vision.)

Also the lifetime maximums of \$2 million dollars have been removed.

Employees who wish to add their dependent children between the ages of 19-26 back to the insurance plan can make this change during open enrollment.

It should be noted that these new Federal Health Care Reform changes are estimated to be costing the University System of Georgia and its covered employees **\$8,500,000** million dollars each year!

Flexible Spending Accounts / Health Savings Accounts / Health Reimbursement Accounts

Effective 1/1/11, under the new Federal Health Care Reform, most non prescription drugs (over the counter drugs) will no longer be considered a qualified medical reimbursement. For example, the employee will no longer be reimbursed for Tylenol. The USG is working a list of covered non prescription drugs that will remain a covered expense. This information will be provided to employees soon.

EAST GEORGIA COLLEGE'S ANNUAL BENEFITS FAIR

OCTOBER 22, 2010

9:00 A.M. – 12:00 P.M.

RICHARD L. BROWN ROOM

VENDORS AVAILABLE FROM:

BLUE CROSS BLUE SHIELD OF GEORGIA

METLIFE / MEDCO / AFLAC / VALIC / CIGNA LIFE / UNUM

**Giveaways and Drawings to be held!
Coffee, juice, and pastries will be available.**